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**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

(A) Pursuant to Ordinance No. 98-0205-A (Authorizing Ordinance), the City, issued and has outstanding its Airport System Variable Rate Revenue Notes, Series A (Series A Notes) in the principal amount of \$28,000,000.

(C) In connection with the issuance of the Series A Notes, Morgan Guaranty Trust Company of New York (now JPMorgan Chase Bank, National Association) issued and delivered its Irrevocable Letter of Credit No. S-858507 (Original Letter of Credit) and the City and Morgan Guaranty Trust Company of New York (now JPMorgan Chase Bank, National Association) entered into a Letter of Credit and Reimbursement Agreement, dated February 5, 1998 (Original Reimbursement Agreement).

(E) In connection with the delivery of the Alternate Letter of Credit, the City Council finds it necessary to (1) authorize the execution and delivery of (a) a Letter of Credit and Reimbursement Agreement between the City and the Bank (Reimbursement Agreement), (b) a Letter Agreement between the City and the Bank (Letter Agreement) and (c) a Custody Agreement among the City, the Bank and The Bank of New York Mellon Trust Company, N.A., as Paying

1 Agent/Registrar (Custody Agreement), and (2) approve and authorize the use of a  
2 Remarketing Memorandum for the remarketing of the Series A Notes.

3 (F) The Authorizing Ordinance requires the mandatory tender for  
4 purchase of the Series A Notes upon the expiration and replacement of the Original  
5 Letter of Credit, on the fifth day preceding the Expiration Date.

6 (G) The Paying Agent/Registrar has provided notice of the mandatory  
7 tender to the Owners of the Series A Notes.

8 (H) The City is authorized to cause the delivery of the Alternate Letter of  
9 Credit and to authorize, execute, and deliver the Reimbursement Agreement  
10 pursuant to Chapter 1371, Texas Government Code.

## 11 **PART 2. AUTHORIZATION**

12 (A) The City Council authorizes the delivery of the Alternate Letter of  
13 Credit in substantially the form attached to the Reimbursement Agreement. The  
14 Mayor, City Manager, the Aviation Director, the Chief Financial Officer, the City  
15 Clerk, and all other officers of the City are authorized and directed to take all  
16 actions necessary or desirable to cause the delivery of the Alternate Letter of Credit  
17 in accordance with the Authorizing Ordinance and this Ordinance.

18 (B) The City Council authorizes negotiation, execution, and delivery of  
19 (1) the Reimbursement Agreement, dated as of February 1, 2009, between the City  
20 and the Bank, in substantially the form attached as Exhibit A, (2) the Letter  
21 Agreement, dated as of February 1, 2009, between the City and the Bank, in  
22 substantially the form attached as Exhibit B, and (3) the Custody Agreement, dated  
23 as of February 1, 2009, among the City, the Bank and the Paying Agent/Registrar,  
24 in substantially the form attached as Exhibit C. The City Manager or, in his  
25 absence, any Assistant City Manager is authorized to negotiate, execute, and  
26 deliver the Reimbursement Agreement, the Letter Agreement and the Custody  
27 Agreement, with such changes as may be approved by the City Manager, or such  
28 other Assistant City Manager. The execution of the Reimbursement Agreement,  
29 the Letter Agreement and the Custody Agreement is conclusive evidence the City  
30 approved each of these documents.

31 (C) The City Council authorizes, ratifies, and approves the preparation,  
32 distribution, and use of the Remarketing Memorandum (in substantially the form  
33 attached as Exhibit D. To the extent required, the Remarketing Memorandum is  
34 “final” as of its date for purposes of compliance with Rule 15c2-12 of the  
35 Securities and Exchange Commission.

1 (D) The Paying Agent/Registrar and the Tender Agent are authorized and  
2 directed to take all actions and give all notices as may be necessary or appropriate  
3 to effect the mandatory tender of the Series A Notes and the delivery of the  
4 Alternate Letter of Credit, and the City ratifies and approves all prior actions taken  
5 by the Paying Agent/Registrar and the Tender Agent relating to the giving of  
6 notice of the mandatory tender of the Series A Notes and the delivery of the  
7 Alternate Letter of Credit.

8 **PART 3. FURTHER PROCEDURES.** The Mayor, the City Manager, the  
9 Aviation Director, the Chief Financial Officer, the City Clerk and all other officers  
10 of the City are authorized and directed to do any and all things necessary or  
11 appropriate to carry out the terms of this Ordinance.

12 **PART 4. SEVERABILITY.** If any part, paragraph, clause or provision of this  
13 Ordinance is for any reason held to be invalid or unenforceable, the invalidity or  
14 unenforceability of such part, paragraph, clause or provision shall not affect any of  
15 the remaining provisions of this Ordinance.

16 **PART 5. OPEN MEETING.** The City posted sufficient written notice of the  
17 date, hour, place and subject of the meeting of the City Council at which this  
18 Ordinance was adopted at a place convenient and readily accessible at all times to  
19 the general public at the Austin City Hall for the time required by the Open  
20 Meetings Act, Chapter 551, Texas Government Code. This meeting was open to  
21 the public as required by law at all times during which this Ordinance and its the  
22 subject matter were discussed, considered and formally acted upon. The City  
23 Council ratifies, approves and confirms such written notice and the contents and its  
24 posting.

25 **PART 6. EFFECTIVE IMMEDIATELY.** Notwithstanding the provisions of  
26 the City Charter, this Ordinance shall become effective immediately upon its  
27 adoption at this meeting pursuant to Section 1201.028, Texas Government Code.

28 **PART 7. REPEALER.** All orders, resolutions and ordinances, or their parts that  
29 are inconsistent with this Ordinance are repealed only to the extent needed to  
30 eliminate the inconsistency.

31 [Execution Page Follows]  
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1 PASSED AND APPROVED

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3 \_\_\_\_\_, 2009 §

4 Will Wynn  
5 Mayor

6  
7 APPROVED:

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9 \_\_\_\_\_  
10 David Allan Smith  
11 City Attorney

ATTEST:

12 \_\_\_\_\_  
13 Shirley A. Gentry  
14 City Clerk

15 (CITY SEAL)